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TAGS: [PREL](#) [PGOV](#) [HR](#) [SI](#) [EUC](#)  
SUBJECT: EUR DAS JONES' ZAGREB DISCUSSIONS ON SLOVENIA  
BORDER DISPUTE

REF: A. KARAGIANNIS-FREDEN 9/1/09 EMAILS  
[1](#)B. FREDEN-HOLTZAPPLE 9/2/09 EMAILS  
[1](#)C. LJUBLJANA 281  
[1](#)D. ZAGREB 551

Classified By: Rick Holtzapapple, PolEcon Counselor,  
for reasons 1.4 (b) & (d).

[1](#)1. (C) SUMMARY: Croatian Foreign Minister Gordan Jandrokovic told visiting EUR DAS Stu Jones on September 1 that he believed agreement with Slovenia on a way forward in the border dispute was near, and that Croatia's EU accession negotiations might be able to re-start soon. He added that he was also confident that the two sides could relatively quickly reach agreement on the next phase of the process, an agreement on how to put the border dispute itself to binding arbitration. Both the Foreign Minister and the President's foreign policy advisor confirmed to DAS Jones that they would continue to pursue "quiet diplomacy" and avoid to the maximum degree possible any public comment on the discussions with Slovenia. END SUMMARY.

[1](#)2. (C/NF) Jandrokovic said he would send a letter to European Commissioner Olli Rehn and/or the presiding EU foreign minister Carl Bildt of Sweden that would address Slovene concerns that no prejudicial decisions have been taken regarding the border and confirm Croatia's commitment to an EU-led process to return to discussions to agree on an arbitration tribunal that would resolve the border dispute once and for all. Once the letter was sent, Jandrokovic said, Slovenia is expected to lift its blockade of pending EU accession chapters and allow Croatia's EU accession negotiations to resume. Jandrokovic expressed confidence that the two countries would then be able to quickly agree on an arbitration tribunal. The only obstacle was how to refer to the possibility of a Slovene "junction" with the High Sea.

If Slovenia was willing to consider changes that clarified that such a junction was not a foregone conclusion, then it should not be difficult to reach agreement. Pressed by DAS Jones on whether he was certain the Slovene side was prepared to lift its block on accession negotiations even before a final agreement on the arbitration process was reached, Jandrokovic said the sequence of the deal was clear to both sides. (Per Embassy Ljubljana, the Government of Slovenia confirms the timing, but insists the reference to Rehn must be explicit.)

[1](#)3. (U) DAS Jones said the U.S. is encouraged by the positive mood in recent weeks on this issue. We do not want to mediate the dispute, but are certainly supportive of the efforts to reach a solution. We hoped that agreements on both the re-opening of Croatia's EU talks, and on an arbitration process for the border dispute, could be reached quickly.

¶4. (C) DAS Jones also discussed the Slovenia issue with President Mesic's foreign policy advisor Tomislav Jakic. Jakic noted that Mesic and his office were not directly involved in the negotiations with Slovenia. He also noted that it would be a political challenge for the government to go back to the parliament with a new version of an arbitration agreement after the Croatian parliament had already accepted the earlier Rehn proposal in April. But he said that Mesic would support an agreement for third-party arbitration, as long as it was based on international law. Jakic also agreed that both sides would need to avoid any "triumphalist" statements in their official statements, although he raised some concern about how the press might portray developments.

¶5. (C/NF) COMMENT: The Croats are indeed optimistic on the chances for reaching agreement with the Slovenes soon. Based on REFS A and B, both sides appear to share a common view of the way forward. The process as we understand it from the Croats is as follows (note that this scenario is very close hold, even within the Croatian government, where perhaps less than a dozen people are familiar with the details):

i) the parties agree on a text of a letter saying two things: first, that no decisions or documents produced since June 1991 should prejudice the eventual resolution of the border dispute, and second, that Croatia is prepared to return to an EU-led or assisted process to agree on an arbitration process. This letter would be endorsed in some way by the Croatian Parliament, and then sent to Commission Rehn, Swedish FM Bildt, or both. Per REF C, it appears the two

parties have reached agreement on this letter.

ii) The Slovenian government would lift its reserves on those of Croatia's EU accession chapters current pending in the EU Council working group and which have already been accepted by the other 26 EU Member States.

iii) The Swedish EU Presidency convenes an Intergovernmental Conference (IGC), the first since October 2008, to open and/or close as many of fourteen negotiating chapters. From earlier conversations with Croatian officials, we understand that in an ideal scenario this Intergovernmental Conference") is penciled in by the Swedish EU Presidency for as early as September 16.

iv) Bildt, Rehn or both call both parties to a meeting to re-convene discussions on an Arbitration Agreement, based on the earlier Rehn proposals.

v) An Arbitration Agreement is reached "by the end of 2009". Both parliaments presumably need to ratify this Agreement to ensure that the arbitration award will be binding on both sides. The Arbitration Tribunal is named and begins its work.

vi) Croatia's EU accession negotiations conclude (sometime in 2010?), assuming other issues such as ICTY cooperation are also resolved.

vii) Croatia and all EU Member States, including Slovenia, ratify Croatia's Accession Treaty (sometime in 2011?). In Croatia this will require both a public referendum and parliamentary ratification. In Slovenia, it is hoped ratification could be done by parliament alone, but the requirements for forcing a referendum are relatively easy to meet. Croatia joins the EU.

viii) The Arbitration Tribunal issues its decision or award.

Assuming this process moves forward on lines similar to those laid out above, and in particular as the issues arise for parliamentary consideration -- first to support the initial letter, and later to ratify an actual Arbitration Agreement to be made it binding -- we should be prepared to publicly

voice our support for the process. END COMMENT.

16. (U) DAS Jones has cleared this cable. Other issues discussed during his visit to Zagreb are reported REF D. WALKER